

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 2
FOR THE REGULAR MEETING OF
TUESDAY, MAY 24, 2005 AT 10:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:**

ITEM-S500: Convention Center Management Agreement.

(See City Manager Report CMR-05-081. Centre City Community Area.
District 2.)

TODAY’S ACTION IS:

Adopt the following resolution:

(R-2005-1202)

Authorizing the City Manager to execute a Third Amended and Restated Agreement between the City of San Diego and San Diego Convention Center, Inc., for the operation and maintenance of the Center, under the terms and conditions as set forth in the agreement.

**RULES, FINANCE AND INTERGOVERNMENTAL RELATIONS COMMITTEE’S
RECOMMENDATION:**

On 4/6/2005, Rules voted 4 to 0 to approve the City Manager’s recommendations contained in the City Manager Report CMR-05-081, except the proposed amendment term #7 (Bylaws) on page 3. (Councilmembers Peters, Zucchet, Maienschein, and Mayor Murphy voted yea. Councilmember Madaffer not present.)

SUPPORTING INFORMATION:

San Diego Convention Center Corporation (SDCCC) was created by the City in 1984 to manage, operate, and promote the Convention Center. SDCCC and the City are parties to a Management Agreement that defines the relationship and the respective responsibilities. The Management Agreement also incorporates pertinent provisions related to the operation of the Convention Center that appear in the agreement between the City and the San Diego Unified Port District.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)**RESOLUTIONS: (Continued)**

ITEM-S500: (Continued)

SUPPORTING INFORMATION: (Continued)

The Management Agreement was amended in 1993 when SDCCC assumed responsibility for the management and operation of the Concourse, Civic Theatre, and Plaza (collectively known as the "CPAC" facilities). The agreement was further amended in 1998 upon expansion of the Convention Center.

The transfer back to the City of the responsibility for management and operation of CPAC necessitates the deletion of certain provisions in the Management Agreement. SDCCC has proposed that an amendment to the Management Agreement incorporate other modifications. On April 6, the Committee on Rules, Finance, and Intergovernmental Relations (Committee) voted 4-0 to approve the City Manager's recommendations contained in City Manager's Report No. 05-081 except the proposed amendment to SDCCC's Bylaws (SDCCC will return to Council at a later date after further work on this proposal). The proposed Third Amended and Restated Management Agreement incorporates the City Manager's recommendations approved by the Committee.

FISCAL IMPACT:

1. SDCCC will no longer request an operational subsidy from the City. Instead, on a yearly basis, SDCCC will prepare its own budget and request City funding for specific capital needs and promotional programs only. Whereas the City had been basing its funding on an analysis conducted by consulting firm Public Financial Management (PFM), instead SDCCC will now submit its capital and promotional programs needs request five years in advance so that the City can plan its funding appropriately.
2. An annual allocation of City funds, if any, will be approved by the City Council, in its sole and complete discretion, as part of the normal budget process each year.
3. The revised FY06 request from SDCCC is \$4,339,198 as compared to \$6.8 million projected in the base case scenario of the PFM report.
4. SDCCC will have the ability to incur debt, which will enable it to finance needed capital improvement over time.

Herring/Griffith/GJ

Staff: Gary Jones – (619) 236-6264
Carrie L. Gleeson – Chief Deputy City Attorney

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)
RESOLUTIONS: (Continued)

ITEM-S501: First Amendment to NTC Park Improvement Agreement.

(See Redevelopment Agency Report RA-05-16/CMR-05-108. Peninsula Community Area. District 2.)

(Continued from the meeting of 5/17/2005, Item S500, at the request of Councilmember Zucchet, due to lack of time.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2005-1146)

Approving the First Amendment to the NTC Park Improvement Agreement;

Authorizing the City Manager and/or his designee to execute the First Amendment to the NTC Park Improvement Agreement among the Redevelopment Agency (Agency), the City of San Diego (City) and McMillin-NTC, LLC the (Master Developer), which in on file in the office of the secretary to the Agency.

Staff: Maureen Ostrye – (619) 533-5428
Donald F. Shanahan – Deputy City Attorney

NOTE: See the Redevelopment Agency Agenda of 5/24/2005, for a companion.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-S502: Community Facilities District No. 3 Liberty Station Issuance of Special Tax Bonds Series A.

(See City Manager Report No. CMR-05-112. Peninsula Community Planning Area. District 2.)

(Continued from the meeting of 5/17/2005, Item 332, at the request of Councilmember Zucchet, due to lack of time.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2005-1150)

Declaring the City of San Diego acting as the legislative body of Community Facilities District No. 3 (Liberty Station) authorizing the Issuance of its Special Tax Bonds Series A of 2005 in a principal amount not to exceed \$16,000,000 and approving certain documents and taking certain other actions in connection therewith.

Staff: Elizabeth Kelly – (619) 236-6932
Mark D. Blake – Deputy City Attorney

ADOPTION AGENDA, DISCUSSION, HEARINGS
NOTICED HEARINGS:

ITEM-S503: Southgate Condominium Conversion.

Matter of the appeals by Dora E. Sanchez, Arlen L. Shire, and Dr. Valerie Shields from the decision of the Planning Commission in approving an application for Tentative Map No. 106415 to convert 188 apartments to condominiums on a 12.9 acre site at 850 Beyer Way in the RM-1-1 Zone south of Palm Avenue, west of Picador Boulevard, and north of Coronado Avenue.

Should the condominium conversion be approved, tenants may be required to vacate the premises. No units may be sold in this building unless the conversion is approved by the city and until after a public report is issued by the Department of Real Estate. Each tenant has the exclusive right to contract for the purchase of his or her respective unit upon the same terms and conditions that such unit will be initially offered to the general public or terms more favorable to the tenant. The right shall run for a period of not less than 90 days from the date of issuance of the subdivision public report pursuant to Section 11018.2 of the Business and Professions Code, unless the tenant gives prior written notice of his or her intention not to exercise the right.

(See City Manager Report CMR-05-106. TM No. 106415/Project No. 32312. Otay Mesa-Nestor Community Plan Area. District 8.)

(Continued from the meeting of May 17, 2005, at the request of Councilmember Inzunza, due to lack of time.)

NOTE: Hearing open. No testimony taken on May 17, 2005.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution to deny the appeal and uphold the decision of the Planning Commission and to grant the map:

(R-2005-)

Adoption of a Resolution granting or denying the appeal and upholding or overturning the decision of the Planning Commission in granting the project and granting or denying Tentative Map No. 106415, with appropriate findings to support Council action.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S503: (Continued)

OTHER RECOMMENDATIONS:

Planning Commission on February 3, 2005, voted 4 – 1 to approve staff's recommendations as outlined in Report to the Planning Commission No. PC-04-154, along with staff's memorandum dated February 3, 2005; was opposition.

Ayes: Garcia, Steele, Schultz, Otsuji

Nays: Chase

Not Present: Ontai

Chairperson: vacant

The Otay Mesa-Nestor Community Planning Board on July 14, 2004, voted 8-6-0 to recommend approval of the project with no conditions.

CITY MANAGER SUPPORTING INFORMATION:

This item is an appeal of the Planning Commission's February 3, 2005, decision to approve the Southgate Condominium Conversion, a Tentative Map to convert 188 existing apartment units to condominium units. This item was originally heard by the Planning Commission on September 30, 2004 continued to December 9, 2004 and continued again to the February 3, 2005 public hearing. During public testimony, numerous citizens spoke in opposition to the project citing issues including the lack and loss of affordable rental units in the area; that the conversion could potentially create a decrease in the number of students at a nearby school; that condominium conversions in general were impacting the housing stock in the City of San Diego; and, concerns about the distribution and clarity of the required public notices. In addition, public testimony raised concerns related to how condominium conversions throughout the City of San Diego are potentially impacting the Residential Element of the Progress Guide and General Plan. The Planning Commission approved the item 4-1-0 with no additional conditions. Subsequent to the February 3, 2005 hearing, two appeals were filed against the project.

Project Description

The site is currently developed with 188 residential units (94 one-bedrooms, 93 two-bedrooms and one three bedroom) located in twelve (12) detached buildings. The development was designed and constructed for condominium or for sale units in 1978 in conformance with required codes at the time.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)**NOTICED HEARINGS: (Continued)**

ITEM-S503: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

The 12.9-acre site is located at 850 Beyer Way in the RM-1-1 zone within the Otay Mesa-Nestor Community Planning area. The surrounding area is developed with a variety of mixed uses including single-family dwellings to the west and south, commercial uses to the north, mixed commercial establishments, multi-family units and the Howard Pence Elementary School to the east. The Otay Mesa-Nestor Community Plan land use designation for the site is residential. There is an existing pool and green belt area within the perimeter and between the twelve structures. The owner plans to convert the apartments to condominiums in six phases over a period of 24 months in order to minimize tenant displacement. In addition, the units will be upgraded to include the following improvements: stacked, interior washer/dryer hook-ups, new kitchens and bathrooms, natural maple wood cabinetry, new kitchen appliances, plumbing fixtures, lighting fixtures, heating, flooring and carpet. The acoustical ceilings will be removed and each unit will be painted. The exterior trim will also be painted and the landscaping upgraded.

FISCAL IMPACT:

All costs associated with the processing of this application are paid for by a deposit account maintained by the applicant.

Frazier/Halbert/WJZ

LEGAL DESCRIPTION:

The project site is located westerly of Beyer Way and southerly of Coronado Avenue at 850-940 Beyer Way, and described as lot 255 of Pacifica Hills, Unit No. 6, Map No. 7008, in the RM-1-1 zone.

NOTE: The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Article 19, 15301(k), Existing Facilities.

Staff: William Zounes – (619) 687-5942.